

Calls on Congress to reinstitute pay-as-you-go (PAYGO) rules that are stronger than the White House proposal

Washington, DC - Congressman John Adler announced his support for a legislative effort to strengthen Congress' commitment to fiscal responsibility and accountability by reinstituting statutory pay-as-you-go (PAYGO) rules. The "Fiscal Honesty and Accountability Act of 2009," would require both the House and Senate to abide by PAYGO rules if enacted into law. The legislation goes even further than the proposal released by the White House this week.

"Families and small businesses in New Jersey strive to live with a balanced budget and Congress should be expected to do the same," said Congressman Adler, a member of the House Financial Services Committee. "This bill will put the federal government back on a path toward fiscal responsibility and long-term sustainability."

The "Fiscal Honesty and Accountability Act of 2009" requires the House and Senate to ensure that all new tax cuts and mandatory spending be paid for through budgetary changes each year. The "pay as you go" principle is very simple. Congress can only spend a dollar if it saves a dollar elsewhere. It is no coincidence that this rule was in place when we moved from record deficits to record surpluses in the 1990s - and that when this rule was abandoned, we returned to record deficits that doubled the national debt.

The White House proposal would reinstate PAYGO for all legislation, except for four policies - renewing the 2001 & 2003 tax cuts, patching the Alternative Minimum Tax (AMT), updating Medicare reimbursement, and modifying the estate tax. These exempted policies would cost approximately \$2.5 trillion to the national debt over the next ten years. The legislation that Congressman Adler sponsored would require all new legislation to abide by PAYGO rules.